

CORRECTED FISCAL NOTE

SB 2861 - HB 3289

April 3, 2006

SUMMARY OF BILL: Enacts the "Community Choices Act of 2006" which establishes a program for individuals in intermediate care facilities for the mentally retarded (ICF/MR) or nursing facilities to transition out of institutional placement into home and community based services (HCBS).

ESTIMATED FISCAL IMPACT:

On March 31, 2006, we issued a fiscal note which indicated that there would be an *increase in state expenditures exceeding \$1,827,000 and an increase in federal expenditures exceeding \$3,187,000. A more precise cost estimate was not possible because the TennCare Bureau had not provided any information to assist in the preparation of the fiscal note.* Based on information provided by the Bureau of TennCare, the estimated fiscal impact of this bill is:

(Corrected)

**Increase State Expenditures – \$7,340,380 Recurring
\$57,050 One-Time**

**Other Fiscal Impact – Increase Federal Expenditures –
\$1,036,630 Recurring
\$57,050 One-Time**

Assumptions:

- The Office of the Comptroller will incur an increase in state expenditures for an additional audit manager and two auditors to quantify the amount appropriated to an eligible long-term care recipient. Such expenditures are estimated at \$13,750.
- The Bureau of TennCare will need an administrative services assistant 5, a managed care manager 2 and an information systems analyst 3. Such positions will increase recurring expenditures totaling \$173,257 (\$86,628.50 in state funds and \$86,628.50 in federal funds) for salaries and benefits (\$168,307), office supplies (\$750) and communications (\$4,200). There will be an increase in one-time expenditures of \$14,100 (\$7,050 in state and \$7,050 in federal) for landscaping (\$8,100) and computers (\$6,000).

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- TennCare is required to subsidize anyone who is eligible for federal housing assistance, but is placed on a waiting list up to \$3,600 per year until enrolled in the federal program.
- TennCare will fund local community based organizations to provide transition services including individuals receiving \$2,000 for a transitional cost allowance.
- Housing subsidies and transition funding will be 100% state funded and are estimated to exceed \$6,200,000.
- The 15 member consumer advisory board will meet quarterly with travel, room, board, and attendant services being reimbursed which will increase expenditures by an amount which is estimated to exceed \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director